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SOLUTECK HOLDINGS LIMITED

— 創科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8111)

PRIVATE PLACING OF UNLISTED WARRANTS

Placing Agent



KGI Capital Asia Limited

PLACING AGREEMENT

On 8 December 2009 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has appointed the Placing Agent as its agent to place, on a best effort basis, Warrants conferring the right to subscribe up to HK\$90,000,000.00 in aggregate for Shares at an issue price of HK\$0.10 per Warrant.

Each Warrant will carry the right to subscribe for one Share at an initial subscription price of HK\$0.90 per Share, subject to adjustment. The subscription right will be exercisable during a period of five years from the date of creation and issue of the Warrants. The new Shares to be allotted and issued represent about 18.39% of the existing issued capital of the Company and about 15.53% of the existing issued capital as enlarged by the allotment and issue of such Shares.

No application will be made for the listing of the Warrants. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants.

Completion of the Placing Agreement is subject to the satisfaction of the condition precedent as set out below. As the Placing Agreement may or may not complete, potential investors are advised to exercise caution when dealing in the Shares.

* *For identification purpose only*

PLACING AGREEMENT

1. Date

8 December 2009

2. Issuer

The Company

3. Placing Agent and basis of placing

KGI Capital Asia Limited has been appointed to act, on a best-effort basis, as placing agent for the Company for the Issue. The Placing Agent will receive a placing commission of 2% of the issue price multiplied by the number of all the Warrants actually placed to Placees, which is arrived at after arm's length negotiations between the parties to the Placing Agreement. The Directors are of the view that the placing commission is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

4. The Warrants

Number of Warrants: A total number of up to 100,000,000 Warrants conferring the right to subscribe for up to HK\$90,000,000.00 in aggregate for Shares (i.e. up to 100,000,000 Shares).

Status: The Warrants will be constituted by way of deed poll to be executed by the Company. The Warrants will rank pari passu in all respects among themselves.

Form: The Warrants will be issued upon completion in registered form. Definitive certificates will be issued to the holders of the Warrants.

Issue price: HK\$0.10 per Warrant payable in cash.

Subscription price and right: Each Warrant will carry the right to subscribe for one Share at an initial subscription price of HK\$0.90 per Share, subject to adjustment upon occurrence of certain events, including:

- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution as described in the Instrument, being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such;
- (iv) a grant by the Company to the Shareholders (in their capacity as such) of rights to acquire for cash assets of the Company or any of its subsidiaries;
- (v) an offer or grant being made by the Company to the Shareholders by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 80% of the market price (calculation as provided in the Instrument);
- (vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per Share is less than 80% of the market price (calculation as provided in the Instrument), or the terms of any such issue being altered so that the said total effective consideration is less than 80% of the market price;
- (vii) an issue being made by the Company wholly for cash of Shares (other than pursuant to any employee share option scheme) at a price less than 80% of the market price (calculation as provided in the Instrument); and

(viii) a cancellation of any Shares repurchased by the Company (other than on the Stock Exchange or any stock exchange recognised for such purpose) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the subscription price.

Lot size and minimum subscription:

Issued in board lot of HK\$4,500.00 of subscription rights of the Warrants or its integral multiples and the minimum amount of Warrants required to be subscribed for by any one Placee shall be one board lot of Warrants

Subscription period:

The subscription rights attaching to the Warrants may be exercised at any time from the date of issue of the Warrants until 4:00 p.m. (Hong Kong time) on the day falling on the day immediately preceding the fifth anniversary of the date of Issue (or, if such fifth anniversary is not a business day, the business day immediately preceding such day).

Rights of Shares on exercise of Warrants:

The Shares that fall to be issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue on the exercise date except that they will not be entitled to any rights or entitlement to dividends or other rights or distributions the record date for which precedes the exercise date.

Transferability:

The Warrants can be freely transferred provided that any transfer of the Warrants to any connected person shall be subject to the requirements that the Stock Exchange may impose from time to time.

5. Basis of pricing of the Warrants

The initial subscription price of HK\$0.90 per Share represents (i) the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 8 December 2009, being the date of the Placing Agreement, and (ii) a premium of about 1.58% over the average closing price of approximately HK\$0.886 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The aggregate of the issue price of HK\$0.10 per Warrant and the initial subscription price of HK\$0.90 per Warrant is HK\$1.00. This represents (i) a premium of about 11.11% over the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 8 December 2009, being the date of the Placing Agreement, and (ii) a premium of about 12.87% over the average closing price of approximately HK\$0.886 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The initial subscription price and the aggregate of it with the issue price were determined with reference to the prevailing market price of the Shares and were negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Issue are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

6. Use of proceeds

The Group specialises in the provision of implementation and upgrading of self-service automatic teller machine systems and other systems, related application hardware and software, technical support and consultancy services to commercial banks and postal bureaus in the PRC. In addition, the Company on 23 June 2009 announced that it had entered into a memorandum of understanding with certain vendors for a possible acquisition of a majority stake in a company which is principally engaged in the exploration of natural gas business in Russia ("**Possible Acquisition**").

Assuming that all of the 100,000,000 Warrants are placed with Placee(s) by the Company, the gross proceeds and the net proceeds derived from the issue of the Warrants, which are estimated to HK\$10 million and approximately HK\$9.5 million, are intended to be used by the Company as general working capital.

The Company will receive additional HK\$90 million gross proceeds upon exercise in full of the subscription rights to be attached to the Warrants (assuming that 100,000,000 Warrants have been issued by the Company). The Company intends to use such proceeds as general working capital of the Group.

The net price of each Share to be issued upon the exercise of the Warrants, taking into account of the issue price of HK\$0.10 per Warrant after deducting the expenses and based on the full exercise of the Warrants, will be approximately HK\$0.995.

7. Reasons for the Issue

The Directors consider that the Issue is an appropriate means of raising additional working capital for the Company because it will not have an immediate dilutive effect on the shareholding of the existing Shareholders. In addition, apart from the net proceeds that will be raised immediately upon the Issue, the Company will be provided with additional working capital upon the exercise of the subscription rights to be attached to the Warrants.

8. Independence of Placees

The Placing Agent will place the Warrants with not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties.

9. Mandate to allot and issue the Shares

The Warrants and the new Shares to be issued upon the exercise of the Warrants are being issued by the Company under the general mandate granted to the Directors at the annual general meeting of the Company held on 31 July 2009. The Directors were authorised to allot and issue up to 108,758,414 Shares pursuant to such mandate and such mandate has not been utilised up to the date of this announcement.

Based on the initial subscription price of HK\$0.90 per Share, upon the exercise of the subscription rights attaching to the Warrants in full, 100,000,000 Shares will be issued, representing about 18.39% of the existing issued capital of the Company and about 15.53% of the existing issued capital as enlarged by the allotment and issue of such Shares. On this basis, the Issue is not subject to approval of the Shareholders.

However, given that the subscription price per Warrant and the number of Shares that may fall to be allotted and issued upon the exercise of the Warrants may in the future be adjusted as a result of the happening of the adjustment events as mentioned above, the number of Shares which may fall to be issued upon the exercise of the Warrants may exceed 100,000,000. In such case, the Company will ensure that it will have sufficient mandate, either from available unused general mandate or by specific mandate to be obtained from Shareholders, to cover the issue of all Shares that may fall to be allotted and issued upon the exercise of the Warrants before carrying out any transaction which will trigger any adjustment to the subscription price per Warrant and the number of Shares that may fall to be allotted and issued upon the exercise of the Warrants.

10. Application for listing

No application will be made for the listing of the Warrants. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants.

11. Condition of the Issue and completion

Completion of the Issue is conditional upon the Stock Exchange granting approval of the issue of the Warrants (if required) and granting or agreeing to grant the listing of, and permission to deal in, any Shares falling to be issued upon the exercise of the subscription rights attaching to the Warrants either unconditionally or subject to conditions to which the Placing Agent accepts.

If the above condition is not fulfilled by 5:00 p.m. on 31 January 2010 (Hong Kong time) (or such later time or date as the Company and the Placing Agent may agree), the Placing Agreement will terminate and the Issue will not proceed.

The Warrants will be created and issued to the Placees on the third business day after the day on which the Placing Agent is notified by the Company about the fulfillment of the above condition.

12. Changes to the shareholding as a result of the Issue:

The existing shareholding structure of the Company and the shareholding structure of the Company immediately after the exercise in full of the subscription rights attaching to the Warrants (assuming 100,000,000 Warrants have been placed) are as follows:

	Existing shareholding		Immediately after exercise in full of the subscription rights to be attached to the Warrants	
	No. of Shares	%	No. of Shares	%
<i>Directors</i>				
Hou Hsiao Bing	131,150,000	24.12	131,150,000	20.37
Hou Hsiao Wen	<u>25,370,000</u>	<u>4.67</u>	<u>25,370,000</u>	<u>3.94</u>
<i>Sub-total</i>	<i>156,520,000</i>	<i>28.79</i>	<i>156,520,000</i>	<i>24.31</i>
Other public Shareholders	387,272,072	71.21	387,272,072	60.16
Placees	<u>—</u>	<u>—</u>	<u>100,000,000</u>	<u>15.53</u>
Total	<u><u>543,792,072</u></u>	<u><u>100.00</u></u>	<u><u>643,792,072</u></u>	<u><u>100.00</u></u>

The above table does not take into account the effect on the shareholding structure upon the exercise of the outstanding options granted under the share option scheme of the Company.

13. Fund raising activities of the Company in the 12 months immediately preceding the date of this announcement

Reference is made to the announcement of the Company dated 25 June 2009. In July 2009, the Company completed a placing of 90,630,000 Shares (each, a “**Placing Share**”) at a price of HK\$0.43 per Placing Share. The net proceeds from the placing and subscription was approximately HK\$37 million. It was disclosed in the Company’s announcement dated 25 June 2009 that the Company intended to use the proceeds to finance the Possible Acquisition or other future business opportunities. Up to the date of this announcement, an aggregate of approximately HK\$26 million out of the net proceeds referred to above has been used by the Group as payment of (i) deposit

for the Possible Acquisition and (ii) the expenses incurred for the Possible Acquisition; and the remaining approximately HK\$11 million is intended to be as the general working capital of the Group.

GENERAL

The Company confirmed that the issue of the Warrants comply with Rules 21.02(1) and (2) of the GEM Listing Rules. The Company will make further announcement(s) upon completion of the Issue.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	having the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Soluteck Holdings Limited, the Shares of which are traded on the Growth Enterprise Market of the Stock Exchange
“connected person(s)”	having the meaning as ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party or parties independent of and not connected with the Company and its connected persons and their respective associates
“Instrument”	the deed poll constituting the Warrants to be executed by the Company upon completion of the Issue
“Issue”	the offer by way of a private placing of the Warrants in registered form to independent professional, institutional and other investors on the terms and subject to the conditions set out in the Placing Agreement

“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Warrants
“Placing Agent”	KGI Capital Asia Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) of the regulated activities as set out in the SFO
“Placing Agreement”	the placing agreement for the placing of the Warrants dated 8 December 2009 entered into between the Company and the Placing Agent
“PRC”	the People’s Republic of China, for the purpose of this announcement, exclude Hong Kong and the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	unlisted warrants to be issued by the Company at an issue price of HK\$0.10, each entitles the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.90, subject to adjustments, at any time for a period of five years commencing from the date of allotment and issue of the Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Soluteck Holdings Limited
Hou Hsiao Bing
Chairman

Hong Kong, 8 December 2009

As of the date hereof, the executive Directors are Mr. Hou Hsiao Bing and Mr. Hou Hsiao Wen. The independent non-executive Directors are Ms. Lui, Ming Rosita, Mr. Ho Wai Wing, Raymond and Mr. Tam Kam Biu, William.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the Company's website and on the GEM website with the domain name of www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.